

Illustrative annual report for investment funds in accordance with Luxembourg GAAP*



Publication September 2009

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Glossary

CCY	Currency
CSSF	Commission de Surveillance du Secteur Financier, Luxembourg supervisory authority
FIFO	First in first out
Financial reports	Annual and semi-annual reports
IML	Institut Monétaire Luxembourgeois, former name of Luxembourg supervisory authority, replaced by the CSSF in 1998
NAV	Net Asset Value
PTR	Portfolio Turnover Ratio
SIF	Specialised Investment Funds
Synthetic TER	Applicable to fund of funds only. TER including expenses borne by the fund and also expenses borne at target fund level
TER	Total Expense Ratio
UCITS	Undertakings for Collective Investment in Transferable Securities: fund compliant with the UCITS Directive 85/611/EEC amended by the 2001/107/EEC and 2001/108/EEC Directives. They correspond to funds compliant with requirements defined in part I of the Luxembourg Law of December 20, 2002.
UCI	Undertakings for Collective Investment. Generic term covering any type of investment funds (UCITS and non-UCITS)

Introduction



In this brochure, we are pleased to provide an illustrative annual report for investment funds prepared in accordance with generally accepted accounting principles in Luxembourg (the “Luxembourg GAAP”). This document also includes current information requirements for selected countries where funds may be publicly distributed.

We have attempted to create a realistic annual report for investment funds, ensuring it is as complete as possible based on the most commonly observed operations of Luxembourg funds. The example disclosures comprise our view of best practice and should not be considered as the only acceptable form of presentation. The form and content of each reporting entity’s annual report are the responsibility of the entity’s management.

The quality of financial information disclosed to third parties has become crucial. The varied stakeholders within today’s capital markets (investors, regulators, tax authorities, creditors,..) increasingly rely on the quality and transparency of the financial data provided by the entities concerned.

With over EUR 1.6 trillion in investment funds as at June 30, 2009, Luxembourg is an important part of the global capital markets and, at PricewaterhouseCoopers, we believe it is important to maintain a consistently high quality of annual report presentation which is both informative and relevant to the reader.

We hope you will find this guide of interest and stay at your disposal to provide support whatever your needs may be.

A handwritten signature in black ink, appearing to read 'J. Parkhouse'.

John Parkhouse
Luxembourg Asset Management Practice Leader

General information

Ref. article
of the Law of
December 19, 2002
unless otherwise
stated

Specific provisions relating to the contents and presentation of the annual report, applicable to investment funds

Unless otherwise stated in specific laws and/or CSSF circulars, investment funds fall under the disclosure requirements defined in the Law of December 19, 2002, which abrogated section XIII of the Company Law of August 10, 1915 on annual accounts, applicable to commercial companies in Luxembourg.

The disclosure requirements specific to the annual reports of Luxembourg investment funds are defined by the Law of December 20, 2002 and relevant CSSF circulars applicable to investment funds.

In the margin, you will find the references to the articles of the Law of December 19, 2002 (the Law) or any other relevant law or CSSF circulars explicitly mentioned.

Required content of the annual report

Art 110(5)
of the Law of
December 20, 2002

The annual report must include a balance sheet or a statement of assets and liabilities, a detailed income and expenditure account for the financial year, a report on the activities of the past financial year and the other information provided for in Schedule B of Annex I to this Law, as well as any significant information which will enable investors to make an informed judgment on the development of the activities and the results of the UCITS/UCI.

Information to be included in the periodic reports

Schedule B -
Annex I
of the Law of
December 20, 2002

- I. Statement of assets and liabilities detailing:*
 - transferable securities and money market instruments;
 - bank balances;
 - other assets;
 - total assets;
 - liabilities;
 - net assets.
- II. Number of shares in circulation*
- III. Net Asset Value (NAV) per share*
- IV. Portfolio, distinguishing between:*
 - a) transferable securities and money market instruments admitted to official exchange listing;
 - b) transferable securities and money market instruments dealt in on another regulated market;
 - c) recently issued transferable securities and money market instruments of the type referred to in article 41(1) d);
 - d) other transferable securities and money market instruments of the type referred to in article 41(2) a) and analysed in accordance with the most appropriate criteria in the light of the investment policy of the UCITS (e.g. in accordance with economic, geographical or currency criteria) as a percentage of net assets; for each of the above investments the proportion it represents of the total assets of the UCITS should be stated.

Statement of changes in the composition of the portfolio during the reference period.

Comment: Even if explicitly mentioned in the Law of December 20, 2002, movements in portfolio do not have to be inserted in the annual report but have to be made available at shareholder's request. Should this flexibility be used, a clear statement needs to be inserted in the annual report indicating the availability of the information and where it can be requested.

Ref. article
of the Law of
December 19, 2002
unless otherwise
stated

Schedule B -
Annex I
of the Law of
December 20, 2002

V. Statement of the developments concerning the assets of the UCITS during the reference period including the following:

- income from investments;
- other income;
- management charges;
- depositary's charges;
- other charges and taxes;
- net income;
- distributions and income reinvested;
- changes in capital account;
- appreciation or depreciation of investments;
- any other changes affecting the assets and liabilities of the UCITS.

VI. A comparative table covering the last three financial years and including, for each financial year-end:

- the total net assets;
- the NAV per share.

VII. Details, by category of transactions within the meaning of Article 42 of the Law of December 20, 2002, carried out by the UCITS during the reference period, of the resulting amount of commitments.

Information to be included in the semi-annual report

The semi-annual report must include at least the information provided for in Chapter I to IV of Schedule B of Annex I to this Law.

Art 110(6)
of the Law of
December 20, 2002

Specific rules applicable to multiple compartment UCITS/UCIs (umbrella structure)

IML Circular 91/75
Chapter L

Multiple sub-fund UCIs must include in their financial reports separate information on each of their compartments, as well as combined information on all of their sub-funds. The information referred to hereby is provided for by Article 86(2), (3) and (4) of the Law of March 30, 1988¹ as well as in Schedule B annexed to that Law, provided that headings II., III., IV., VI. and VII. of that schedule are not to be considered for the establishment of combined information.

The separate financial reports, which must be established for each of the sub-funds, must be expressed in their respective reference currency. For the purpose of the establishment of the combined situation of the UCI, these financial reports must be aggregated after having been converted in the operating currency of the fund, where the UCI has been formed as an investment company, or in the currency determined for that purpose by the management company, where the UCI has been formed as a collective investment fund.

¹ These articles correspond to articles 110-(5), (6), (7) of the Law of December 20, 2002.

Ref. article
of the Law of
December 19, 2002
unless otherwise
stated

Alongside the full report to be established pursuant to these rules, multiple compartment UCIs may provide for the publication of separate financial reports for each of their compartments. Where this facility is used, the conditions provided for the publication of separate prospectuses are applicable to this case by analogy.

Where a separate annual report is established for each compartment of a multiple compartment UCI, the auditor's report provided for by article 89(1) of the Law of March 30, 1988² must also be included in the relevant report unless the auditor establishes separate reports for each compartment. If such separate auditor's reports are established, they may be published in the separate annual reports of the relevant compartments in lieu of the report covering all the compartments which make up the UCI.

Valuation principle to be applied

Art 9(3)
of the Law of
December 20, 2002

Unless otherwise provided for in the management regulations of the fund, the valuation of the assets of the fund shall be based, in the case of officially listed securities, on the last known stock exchange quotation, unless such quotation is not representative. For securities not so listed and for securities which are so listed, but for which the latest quotation is not representative, the valuation shall be based on the probable realisation value, estimated with care and in good faith.

Specific rules applicable to Specialised Investment Funds (SIF)

Art 52(4) of the Law
of February 13, 2007

SIF and their subsidiaries shall be exempt from the obligation of consolidating the companies owned for investment purposes.

Annex of the Law of
February 13, 2007

The disclosure requirements are similar to other funds as defined in Schedule B – Annex I of the Law of December 20, 2002 listed above, with the following exceptions:

- description of the investment portfolio (Section IV of Schedule B): no detailed disclosure of the investment portfolio is required. Presentation can be limited to qualitative and/or quantitative information on the investment portfolio enabling investors to make an informed judgment on the development of the activities and the results of the SIF;
- description of derivative positions and disclosure of related commitment (Section VII of Schedule B): there is no such requirement in the SIF Law.

² This article corresponds to articles 113-(1) of the Law of December 20, 2002.

General provisions relating to the contents and presentation of the annual report

Below is an overview of the main principles underlying the preparation of annual accounts of Luxembourg companies, which may also apply to Luxembourg investment funds. They need to be considered in connection with the principles of regular bookkeeping.

Presentation

- Art 26(2) The annual accounts shall be drawn up clearly and in accordance with the provisions of the Law applicable to commercial companies, except when otherwise stated in the Law of December 20, 2002 or in CSSF circulars applicable to investment funds.
- Art 37(1) Where an asset or liability relates to more than one layout item, its relationship to other items must be disclosed either under the item where it appears or in the notes to the accounts, if such disclosure is essential to the comprehension of the annual accounts.

True and fair view

- Art 26(3) The annual accounts shall give a true and fair view of the company's assets, liabilities, financial position and results.
- Art 26(4) Where the application of the provisions of the Law would not be sufficient to give a true and fair view within the meaning of article 26(3) of the Law, additional information must be given.
- Art 26(6) Where a provision of the Law requires a quantitative or qualitative assessment, it must be performed by the management of the company in accordance with the true and fair view principle.
- Art 51(1) Unless there is an exceptional derogation, disclosed and explained in the notes to the accounts, the valuation of items shown in the annual accounts shall be made in accordance with the following general principles derived from the Luxembourg Company Law:
- The company is presumed to be carrying on its business as a going concern (going concern principle).
 - The valuation methods may not be modified from one financial year to another (permanence of methods principle).
 - Accounts must be taken of income and charges relating to the financial year in respect of which the accounts are drawn up irrespective of the date of receipt or payment of such income or charges (cut-off principle).
 - The components of asset and liability items must be valued separately (principle of segregated valuation of asset and liability items).
 - The balance sheet at the beginning of each financial year must correspond to the closing balance sheet for the preceding financial year (principle of intangibility of the opening balances).

Illustrative annual report

Introduction

Guidance:

- Funds may be constituted under the law of contract (as common funds managed by a management company (“Fonds Commun de Placement” or “FCP”)), or under statute (as investment company (“Société d’Investissement à Capital Variable” or “SICAV”)). This illustrative annual report has been prepared assuming the fund is a SICAV. In addition to some specific disclosures to be made in case of a FCP (highlighted in the report), the following terms need to be amended throughout the report:

Denominations for a SICAV	Denominations for a FCP
Société d’Investissement à Capital Variable	Fonds Commun de Placement
Date of incorporation	Date of inception
Shares (representing participation in the capital of the SICAV)	Units
Shareholder	Unitholder
Board of Directors of the fund	Board of Directors of the management company

- In case the accounting exercise is less than or exceeds 12 months (maximum 18 months), the annual report should not refer to a financial “year” but to a period. As a consequence, should the fund be in this situation, the annual report should refer throughout the report to the “period”, instead of the “year”.

[Name of the fund]

Audited annual report as at *[closing date]*

Guidance:

For the first financial period, the wording “as at closing date” should be replaced with “for the period from *[date]* (date of incorporation) to *[closing date]*”. Note that a first financial period exceeding 12 months (maximum 18 months) is only possible if it is foreseen in the prospectus of the fund.

This report does not constitute an offer of shares. No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus, supplemented by the last available annual report of the fund and the latest semi-annual report, if published after such annual report.

[Name of the fund]

Audited annual report as at *[closing date]*

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[Name of the fund]

Audited annual report as at *[closing date]*

Management and administration of the fund³

Guidance:

This section aims at describing the main players in the daily supervision/operating activities of the fund. It needs to be tailored in accordance with its specific organisation, and in line with the last available prospectus published before year-end.

This section could also include information to shareholders such as: frequency of NAV calculation per sub-fund, where last calculated NAV and financial report can be obtained, notice to annual general meeting of shareholders, name and address of representative appointed in the context of distribution in foreign countries, etc...

Registered office of the fund/management company⁴

.....

Board of Directors

Chairman

.....

Directors

.....

Custodian bank

.....

Domiciliation agent

.....

Investment manager

.....

Administrative agent, transfer agent and paying agent

.....

Independent auditor

.....

Legal advisor

.....

Management company⁴

.....

³ Best practice is to disclose changes made during the year with the relevant effective date.

⁴ All FCPs have a management company. For SICAVs, this is possible but not systematic (e.g. self-managed SICAVs).

Ref. article
of the Law of
December 19, 2002
unless otherwise
stated

[Name of the fund]

Audited annual report as at *[closing date]*

Management report

Law of
December 20, 2002
Art 110(5)

Art 68(2)

Guidance:

1. Contents

The annual report has to include a report on the activities of the past financial year.

The Law defines as minimum content of the management report the following information:

The management report must include a fair review of the development of the fund business and of its position, which provides clarification on the data shown in the annual accounts.

Generally, the presentation of the fund's business for the financial year and of its position may be described with the following points:

- fund's environment;
- international activities;
- changes in the financial situation;
- NAV;
- changes in revenues;
- significant investments and disinvestments;
- justification of some positions involving a value judgment;
- performance of the fund;
- ...

The report shall also give an indication of:

- any important events that have occurred since the end of the financial year;
- the fund's likely future development.

If the fund's performance is compared to a benchmark in the management report, it should be ensured that both are considered at the same valuation point. In addition, the fund's performance should be consistent with the figures disclosed in the annual report (NAV per share mentioned in the statistical information).

2. Supplementary disclosure:

The following note needs to be disclosed:

The figures stated in this report are historical and not necessarily indicative of future performance.

Independent Auditor's report

To the [Shareholders] of
[Name of the SICAV]

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Following our appointment by the general meeting of the shareholders of *[name of the fund]* dated *[date]*, we have audited the accompanying financial statements of *[name of the fund]* *[and of each of its sub-funds]*, which comprise *[the statement of net assets and the statement of investments and other net assets as at [date] and the statement of operations and the statement of changes in net assets]* for year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors of the SICAV's responsibility for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of *[name of the SICAV]* *[and of each of its sub-funds]* as of *[date]*, and of the results of *[its/their]* operations and changes in *[its/their]* net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Luxembourg, *[date]*

[Name of Partner]

[Name of the fund]

Audited annual report as at *[closing date]*

Statement of net assets as at *[closing date]*

Guidance:

For all statements, captions that would not be applicable to the fund's activity should be removed. The aggregation of captions is possible at the discretion of the Board of Directors of the SICAV.

	<i>[Name of sub-fund 1 CCY]</i>	<i>[Name of sub-fund 2 CCY]</i>	Combined⁵ [CCY⁶]
Notes			
Assets			
Investments at market value (cost:)			
Options bought at market value (premium paid:)			
Cash at bank			
Time deposit			
Margin accounts			
Receivable on investments sold			
Receivable on subscriptions			
Receivable for repurchase agreement			
Unrealised appreciation on forward foreign exchange contracts			
Unrealised appreciation on futures contracts			
Unrealised appreciation on swap contracts			
Dividends receivable			
Interest receivable on bonds			
Formation expenses, net of amortisation			
Other assets/receivables			
Total assets

The accompanying notes form an integral part of this annual report.

⁵ IML Circular 91/75, chapter L requires umbrella structures to disclose combined statements.

⁶ The currency to be used for combination is mentioned in the prospectus and/or in the articles of incorporation.

[Name of the fund]

Audited annual report as at *[closing date]*

**Statement of operations and changes in net assets for the year ended
*[closing date]***

	<i>[Name of sub-fund 1 CCY]</i>	<i>[Name of sub-fund 2 CCY]</i>	<i>Combined [CCY]</i>
Notes			
Net assets at the beginning of the year			
Income			
Dividends, net of withholding taxes			
Interest on bonds			
Interest on repurchase agreements			
Interest on swap contracts			
Bank interest			
Other income			
Total income
Expenses			
Management fees			
Investment management/advisory fees			
Performance fees			
Custodian bank fees			
Administrative agent, domiciliation agent and transfer agent fees			
Professional fees			
Subscription tax (“taxe d’abonnement”)			
Amortisation of formation expenses			
Bank and interest expenses			
Interest paid on reverse repurchase agreement			
Interest paid on swap contracts			
Other expenses			
Total expenses
Net investment income/(loss)

The accompanying notes form an integral part of this annual report.

[Name of the fund]

Audited annual report as at *[closing date]*

**Statement of operations and changes in net assets for the year ended
[closing date] (continued)**

	<i>[Name of sub-fund 1 CCY]</i>	<i>[Name of sub-fund 2 CCY]</i>	Combined [CCY]
	Notes		
Net investment income/(loss) (carried forward from previous page)	.....	.....	.....
Net realised gains/(losses)			
- on investments			
- on options			
- on forward foreign exchange contracts			
- on futures contracts			
- on swap contracts			
- on foreign currency transactions			
Net realised gains/(losses) for the year	.....	.....	.....
Change in net unrealised appreciation/(depreciation)			
- on investments			
- on options			
- on forward foreign exchange contracts			
- on futures contracts			
- on swap contracts			
Change in net unrealised appreciation/ (depreciation) for the year	.....	.....	.....
Result of operations for the year	.....	.....	.....
Subscriptions			
Redemptions			
Dividends paid			
Net assets at the end of the year	.....	.....	.....

The accompanying notes form an integral part of this annual report.

[Name of the fund]

Audited annual report as at *[closing date]*

Statistical information

Guidance:

All share classes need to be indicated. In case some share classes are not active at year-end anymore, they still need to be disclosed in the historical data for the year when they were active (N-1 to N-2).

[Name of sub-fund 1]

	Year-end <i>[N]</i> <i>[CCY]</i>	Year-end <i>[N-1]</i> <i>[CCY]</i>	Year-end <i>[N-2]</i> <i>[CCY]</i>
Total net assets			
Number of shares outstanding			
<i>[class X]</i>			
<i>[class Y]</i>			
...			
NAV per share			
<i>[class X]</i>			
<i>[class Y]</i>			
...			

[Name of sub-fund 2]

	Year-end <i>[N]</i> <i>[CCY]</i>	Year-end <i>[N-1]</i> <i>[CCY]</i>	Year-end <i>[N-2]</i> <i>[CCY]</i>
Total net assets			
Number of shares outstanding			
<i>[class X]</i>			
<i>[class Y]</i>			
...			
NAV per share			
<i>[class X]</i>			
<i>[class Y]</i>			
...			

[Name of the fund]

Audited annual report as at *[closing date]*

[Name of the sub-fund]

Statement of investments as at *[closing date]*

(expressed in *[CCY]*)

Schedule B -
Annex I
of the Law of
December 20, 2002

Guidance:

The Law of December 20, 2002 requires to make clear distinction between “Transferable securities and money market instruments admitted to an official stock exchange listing” and “Transferable securities and money market instruments dealt in on another regulated market”. In practice, as the investment limits are similar for investment in both categories, the merger of both categories is commonly made.

The investment portfolio needs to be split over the categories mentioned below, as defined in this Law, when applicable. Any additional sub-division (by country, currency, ...) can also be considered within this framework.

Nominal/ quantity	Description	Security currency	Market value	Market value as a percentage of net assets
			<i>[CCY]</i>	%
	Transferable securities and money market instruments admitted to an official stock exchange listing/dealt in on another regulated market			
Shares	Total shares			
Bonds	Total bonds			
Money market instruments	Total money market instruments			
Warrants/rights	Total warrants/rights			
	Total transferable securities and money market instruments admitted to an official stock exchange listing/dealt in on another regulated market		.....	.....
	Other transferable securities and money market instruments			
Shares	Total shares			
Bonds	Total bonds			
Money market instruments	Total money market instruments			
Warrants/rights	Total warrants/rights			
	Total other transferable securities and money market instruments		.....	.....
	Total investments		.....	.....

The accompanying notes form an integral part of this annual report.

[Name of the fund]

Audited annual report as at *[closing date]*

[Name of the sub-fund]

**Economic classification of investments as at *[closing date]*
(as a percentage of net assets)**

Guidance:

The investment portfolio needs to be allocated based on the most appropriate criteria in the light of the investment policy of the respective sub-funds. This allocation can be made by industry, geographical area, currency or any other relevant criteria. Following classification is given for example purposes only.

	% of net assets
Aerospace industry	
Agriculture and fishery	
Aluminium	
Bank and other credit institutions	
Chemistry	
Coal mining and steel industry	
Communications	
Conglomerates	
Construction and other building machinery	
Construction of machines and apparatuses	
Electronics and electrical engineering	
Energy and water	
Gastronomy	
Government and public authorities	
Graphics and publishing	
Holding Companies	
Insurance	
...	
...	
Total%

[Name of the fund]

Audited annual report as at *[closing date]*

[Name of the sub-fund]

**Geographical classification of investments as at *[closing date]*
(as a percentage of net assets)**

Guidance:

Following communication from the CSSF, the criteria used for geographical classification purposes should be based on the final country risk.

	% of net assets
Australia	
Austria	
Belgium	
Bermuda	
Brazil	
Canada	
Cayman Islands	
China	
Croatia	
Czech Republic	
Denmark	
...	
...	
Total%

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]*

Note 1 - Activity

For a FCP - specific disclosure

[Name of the FCP] (the fund) is an open-ended investment fund and has been created on *[date]* as a FCP (Fonds Commun de Placement), under *[Part I/Part II]* of the Law of December 20, 2002 relating to undertakings for collective investments.

The fund is an unincorporated co-proprietorship of its securities and other assets, managed by *[management company name]* (the management company). The assets of the fund are segregated from those of the management company.]

For a SICAV

[Name of the SICAV] (the fund) is an open-ended investment fund and has been incorporated on *[date]* under Luxembourg laws as a “*Société d’Investissement à Capital Variable*” for an unlimited period of time. The fund is governed by the provisions of *[Part I/Part II]* of the Law of December 20, 2002 relating to undertakings for collective investments.]

The fund comprises various sub-funds each relating to a separate investment portfolio of securities, cash and other assets. Separate classes of shares are issued in relation to the sub-funds.

The Board of Directors of the fund may authorise the creation of additional sub-funds/ share classes in the future.

As of *[closing date]*, the following *[number]* sub-funds are active:

- *[name of the sub-fund]*
- *[name of the sub-fund]*
- ...

During the year, the following changes were made:

1) Launch of sub-funds:

- On *[date]*, *[name of the sub-fund]*
- On *[date]*, *[name of the sub-fund]*

2) Change in name of sub-funds:

- On *[date]*, *[name of the sub-fund]* became *[new name of the sub-fund]*
- On *[date]*, *[name of the sub-fund]* became *[new name of the sub-fund]*

3) Mergers: (indicate share exchange ratio)

- On *[date]*, *[name of the sub-fund]* merged with *[name of the sub-fund]*
- On *[date]*, *[name of the sub-fund]* merged with *[name of the sub-fund]*

4) Launch of share classes: (indicate initial price)

- On *[date]*, *[name of share class]*
- On *[date]*, *[name of share class]*

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 1 - Activity (continued)

Guidance:

The list of all share classes available for subscription to investors and their specific features (distribution, capitalisation, fee level,...) should be inserted. The information should be similar to the description made in the fund's prospectus.

In each sub-fund, the fund may issue shares in the following categories, which differ mainly in respect of different fees, commissions and distribution policy:

- *[class X : insert specificity]*
- *[class Y : insert specificity]*

Note 2 - Principal accounting policies

2.1 Presentation of the annual report

The annual report is prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds.

2.2 Combined annual report

Guidance:

This note is not applicable in case of stand alone structures (i.e.: no sub-fund).

The accounts of the fund are expressed in *[CCY]* and the accounts of the sub-funds are kept in the currency of each sub-fund. The combined statement of net assets and the combined statement of operations and changes in net assets are the sum of the statement of net assets, the statement of operations and changes in net assets of each sub-fund converted with the exchange rate prevailing at year-end.

Guidance:

The statement of operations and changes in net assets could also be converted using the average exchange rate of the year then ended. In such case, a financial caption "exchange difference" should be inserted in this statement.

2.3 Dividend and interest income

Dividends are shown net of withholding tax deducted at source, and are recorded as income on the ex-dividend date. Interest income is accrued on a daily basis.

2.4 Foreign currency translation

The accounts are maintained in *[CCY]* and the annual report is expressed in that currency.

The acquisition cost of securities expressed in a currency other than the reference currency of the respective sub-funds is translated at the exchange rates prevailing on the date of purchase.

Income and expenses expressed in currencies other than the reference currency of the respective sub-funds are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in currencies other than the reference currency of the respective sub-funds are converted at exchange rates prevailing at year-end. The realised or unrealised gains and losses on foreign exchange are recognised in the statement of operations and changes in net assets.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

The principal exchange rates applied at year-end are as follows:

1 *[CCY]* = CHF *[amount]*
EUR *[amount]*
GBP *[amount]*
SEK *[amount]*
USD *[amount]*

2.5 Valuation of investments in securities

Guidance:

Each investment fund may have specific valuation rules. Here is an indicative disclosure which needs however to be amended to take into account the valuation principles specific to the fund (described in the prospectus), and the type of investments the fund is exposed to. The note should cover any type of investments present at year-end, but also any that may have been used during the financial year and may have had a significant impact on the fund's performance.

Where fair valuation process is used, additional information on the method applied should be disclosed, including key assumptions and parameters used.

a) Standard valuation policy

Securities listed on a recognised stock exchange or dealt in on any other regulated market that operates regularly, is recognised and is open to the public, are valued at their last available closing prices, or, in the event that there should be several such markets, on the basis of their last available closing prices on the main market for the relevant security.

In the event that the last available closing price does not, in the opinion of the Board of Directors, truly reflect the fair market value of the relevant securities, the value of such securities is defined by the Board of Directors based on the reasonably foreseeable sale proceeds determined prudently and in good faith.

Securities not listed or traded on a stock exchange or not dealt on another regulated market are valued on the basis of the probable sale proceeds determined prudently and in good faith by the Board of Directors of the fund.

In case of short-term money market instruments, the value of the instrument based on the net acquisition cost, is gradually adjusted to the repurchase price thereof. In the event of material changes in market conditions, the valuation basis of the investment is adjusted to the new market yields.

Investments in open-ended UCIs are valued on the basis of the last available NAV of the units or shares of such UCIs.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

b) Fair value

In a context of a difficult market situation (market dry up, lack of information on trades,...), market prices obtained from different sources may not be representative of the fair value of some investments. As a result, the Board of Directors of the fund has implemented fair value techniques in order to estimate the fair value of these investments as of *[date]*. Such investments are present in the following sub-funds and with the following value:

Sub-fund	Market value	% NAV

Guidance:

When fair value is applied to value all or part of the assets of the fund, the notes to the annual report should enable the reader to understand the valuation process implemented by the Board of Directors and its main components. Such disclosure should cover for example:

- the kind of assets covered by this specific valuation procedure;
- the frequency of the fair value review;
- key parameters used to assess fair value;
- the person/groups involved in the monitoring of this fair value process;
- any other relevant information.

The fair value techniques implemented consist in *[description of the fair value process and key parameters used]*.

Because of the inherent uncertainty in the fair value process, these estimated values may significantly differ from the values that would have been used had a readily market for the securities existed, and from the values that may be ultimately recovered.

c) Additional information - year-end valuation

Guidance:

The annual report is presumed to be prepared using closing prices as of reporting day. In case the NAV computed for trading purposes is **not** based on closing price (use of previous day closing price or intra day pricing), Luxembourg GAAP does not require recomputation of the NAV for reporting purposes only. However, specific disclosure has to be considered in case the difference between both valuation methods would have a material impact on the year-end NAV.

Specific attention should also be paid when the performance of the fund is disclosed in the management report compared with the performance of a relevant benchmark. The comparison should be based on the same underlying dates and timing so it is not misleading.

The annual report is presented on the basis of the latest NAV calculated during the financial year (i.e.*[date]*). In accordance with the prospectus, the NAV were calculated using the latest market values and exchange rates known at the time of calculation.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

c) Additional information - year-end valuation (continued)

By way of information, if the fund had calculated the NAV solely for reporting purposes the market prices used to value the investments would have been the closing prices for the entire portfolio. However, these NAV would not have been significantly different from those shown in this annual report, except for the following sub-funds:

- *[name of the sub-fund]*: a *[decrease/increase]* in the NAV of about *[percentage]* would have been observed.
- ...

2.6 Swing pricing/dilution levy

Guidance:

The application of swing pricing/dilution levy is only possible when it is specifically prescribed in the fund's prospectus.

The investment manager needs to perform transactions in order to maintain the desired asset allocation as a result of subscriptions/redemptions, which may generate additional costs for each sub-fund and shareholders present. As a consequence, in the best investor's interest, for these capital movements, which may exceed a threshold defined by the Board of Directors, an adjustment of the NAV per share used is applied. This adjustment reflects the estimated tax and dealing costs that may be incurred by each sub-fund as a result of these transactions, and the estimated bid-offer spread of the assets in which each sub-fund invests.

As of *[closing date]*, swing pricing was applied on the NAV per share for the following sub-funds: *[name of the sub-fund]*.

2.7 Realised gains and losses on sales of investments in securities

Guidance:

Transaction costs could also be recorded directly in expenses. Realised gains and losses on sales of investments in securities are usually determined on the average cost basis. Other principles such as FIFO could be used too. The accounting policy should however be applied consistently to compute realised gains/losses from one financial year to another.

Investments in securities are accounted for on a trade date basis. Realised gains and losses on sales of investments in securities are usually determined on the average cost basis and include transaction costs.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

2.8 Short positions on investments

Guidance:

The illustrative annual report does not disclose any short positions on investments. This note should be inserted and the respective statements amended, should the fund use this investment technique.

The valuation of short positions on investments is determined following the same rules as those applicable to investments in securities (long positions) detailed in note 2.5 above and is presented on the liability side of the statement of net assets, under “Short investments at market value”. The change in unrealised appreciation/depreciation resulting from these short positions is presented in the statement of operations and changes in net assets under the item “Change in net unrealised appreciation/depreciation on investments”. Any realised gain/loss is presented in the statement of operations and changes in net assets under “Net realised gains/(losses) on investments”.

2.9 Mortgage related securities – To Be Announced securities (TBAs)

TBA positions refer to the common trading practice in the mortgage backed securities market in which a security is to be bought from a mortgage pool (Ginnie Mae, Fannie Mae or Freddie Mac,...) for a fixed price at a future date. At the time of purchase the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised.

TBA positions are disclosed in the statement of investments. The purchase of this type of security has not been settled and as a consequence, the amount corresponding to the payable due when the transaction is settled, is disclosed under “Payable on investments purchased” in the statement of net assets.

Negative positions in the statement of investments reflect the fund’s sale commitments of TBAs. The amount corresponding to the receivable due when the transaction is settled, is disclosed under “Receivable on investments sold” in the statement of net assets.

The realised gains/(losses) on TBAs and changes in unrealised appreciation/depreciation are disclosed in the statement of operations and changes in net assets respectively under the headings “Net realised gains/(losses) on investments” and “Change in net unrealised appreciation/depreciation on investments”.

2.10 Options

Outstanding options traded on a regulated market are valued based on the closing price or the last available market price of the instruments.

OTC options are marked to market based upon daily prices obtained from third party pricing agents and verified against the value from the counterparty.

The market value of options is included in the statement of net assets under the heading “Options bought/(written) at market value”.

The realised gains/(losses) and change in unrealised appreciation/depreciation on options are disclosed in the statement of operations and changes in net assets respectively under the headings “Net realised gains/(losses) on options” and “Change in net unrealised appreciation/depreciation on options.”

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

2.11 Futures contracts

Futures contracts are valued at their last-known market price. Futures contracts are valued at the price at which the position would be able to be liquidated, depending on the conditions prevailing in the market at the valuation date. All margin accounts are disclosed under “Margin accounts” in the statement of net assets.

Realised gains/(losses) and change in unrealised appreciation/depreciation resulting therefrom are included in the statement of operations and changes in net assets respectively under “Net realised gains/(losses) on futures contracts” and “Change in net unrealised appreciation/depreciation on futures contracts”.

2.12 Forward foreign exchange contracts

Forward foreign exchange contracts remaining open at closing date are valued by reference to the forward foreign exchange rate corresponding to the remaining life of the contract.

Realised gains/(losses) and change in unrealised appreciation/depreciation resulting therefrom are included in the statement of operations and changes in net assets respectively under “Net realised gains/(losses) on forward foreign exchange contracts” and “Change in net unrealised appreciation/depreciation on forward foreign exchange contracts”.

2.13 Securities lending, repurchase and reverse repurchase agreements

a) Securities lending

The fund may lend securities included in its portfolio to a borrower. To guarantee this transaction, the fund receives collateral.

Securities lending attracts remuneration for the fund according to the contracts. This remuneration is accounted for in the statement of operations and changes in net assets under “Other income”.

Securities on loan are delivered to a third party broker, the assets of which continue to be valued as part of the portfolio of the fund.

b) Repurchase and reverse repurchase agreements

A repurchase agreement is an agreement under which, on payment of the purchase price, the fund receives (purchases) securities from a seller who agrees to repurchase them at or within a specified time at a specified price. A repurchase agreement is similar in effect to a loan by the fund to the seller collateralised by the securities. The fund does not record the purchase of the securities received but does record the repurchase agreement as if it were a loan, and is disclosed in the statement of net assets under “Receivable for repurchase agreements”, including any interest receivable on such transaction. Because a repurchase agreement between the two specific parties involved is generally for a relatively short time and is not transferable, it has no readily market. The fund carries repurchase agreements at cost, which, combined with accrued interest, approximates market value. The interests received are recorded in the statement of operations and changes in net assets under “Interest received on repurchase agreements”.

[Name of the fund]

Audited annual report as at [closing date]

Notes to the annual report as at [closing date] (continued)

Note 2 - Principal accounting policies (continued)

2.13 Securities lending, repurchase and reverse repurchase agreements (continued)

b) Repurchase and reverse repurchase agreements (continued)

Under a reverse repurchase agreement, the fund sells a security to a buyer, usually a broker, for cash. The fund does not record a sale of the security and it agrees to later repay cash plus interest in exchange for the return (repurchase) of the same security. The transaction is thus similar in effect to a borrowing by the fund collateralised by the securities. The proceeds are recorded in the statement of net assets under “Payable for reverse repurchase agreements”, including any interest payable on such transaction. The securities are marked to market. The interests paid are recorded in the statement of operations and changes in net assets under “Interest paid on reverse repurchase agreements”.

2.14 Credit Default Swaps (CDS)

A CDS is a credit derivative transaction in which two parties enter into an agreement, whereby one party (the protection buyer) pays the other (the protection seller) a fixed periodic coupon for the specified life of the agreement in return for a payment contingent on a credit event. If such an event occurs, the protection seller will then make a payment to the protection buyer and the swap will terminate.

CDS are marked to market based upon daily prices obtained from third party pricing agents and verified against the value from the counterparty.

Realised gains/(losses) and change in unrealised appreciation/depreciation resulting there from are included in the statement of operations and changes in net assets respectively under the heading “Net realised gains/(losses) on swap contracts” and “Change in net unrealised appreciation/depreciation on swap contracts”.

2.15 Other swap contracts

Guidance:

Many swap contract types exist. Here is an indicative list of such contracts:

- interest rate swaps;
- total return swaps;
- synthetic equity swaps;
- price lock swaps;
- constant maturity swaps;
- inflation linked swaps.

The following note is a generic description applicable to swap contracts, describing how they work and how they are accounted for. This description has to be adapted to the specific swap contracts present in the fund and their valuation/accounting rules.

The fund may enter into swap contracts in which the fund and the counterparty agree to exchange payments where one or both parties pay interest based on a specific rate (fixed or floating) or returns generated by a security, instrument, basket or index thereof. The payments made by the fund to the counterparty and vice versa are calculated by reference to specific interest rates, security, index, or instruments and an agreed upon notional amount. The relevant underlyings include, but are not limited to, currencies, interest rates, prices and total return on interest rate indices, fixed income indices or stock indices.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 2 - Principal accounting policies (continued)

2.15 Other swap contracts (continued)

Guidance:

The notes to the annual report need to describe the basis of valuation of swap contracts. The illustrative note will therefore need to be adjusted to the specific features of the swap contracts present in portfolio.

Swap contracts are marked to market based upon daily prices obtained from third party pricing agents and verified against the value from the counterparty.

Unrealised appreciation/depreciation on swap contracts is recorded under “Unrealised appreciation/depreciation on swap contracts” in the statement of net assets; this includes any accrued interest (receivable or payable) on such contracts. The changes in valuation are included in the statement of operations and changes in net assets under “Change in net unrealised appreciation/(depreciation) on swap contracts”. When a contract is closed, the realised gains/(losses) is recorded under “Net realised gains/(losses) on swap contracts” in the statement of operations and changes in net assets. When paid, interest income/expenses on swap contracts are disclosed in the statement of operations and changes in net assets under “Interest on swap contracts” on the income or expense side, as appropriate.

2.16 Formation expenses

Formation expenses are amortised on a straight-line basis over a period of five years.

Note 3 - Management fees

Guidance:

This note needs to be tailored based on the actual fee structure of the fund and the payment frequency.

In case the fund would be subject to an all-in-fee, the nature of the fees covered needs to be described. In such situation, notes related to other fees need to be adapted. Any change in the fee structure during the year should also be indicated.

The management company is entitled to a fee payable at the end of *[frequency]* and calculated on the average NAV of each sub-fund during the *[frequency]*.

The annual rate of the fee is:

- for the sub-fund *[name of the sub-fund]*:⁷
[name] [percentage]
[name] [percentage]

⁷ In case of multi share class structure

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 3 - Management fees (continued)

Art. 46 (3)
§ 2 of the Law of
December 20, 2002

Comment:

When a UCITS invests a **substantial proportion** of its assets in the units/shares of other UCITS and/or UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company/the fund is linked by common management or control, or by a substantial direct or indirect control, it has to disclose in its annual report the maximum proportion of management fees charged to the UCITS and/or other UCIs in which it invests.

Note 4 - Administrative and domiciliary agent fees

The administrative and domiciliary agent is entitled to receive fees and commissions for its services rendered to the fund, corresponding to *[percentage]* per annum of the average NAV of each sub-fund. Such fees are payable *[frequency]*.

Note 5 - Asset management/advisory fees

The fund pays to the investment manager/advisor a fee of *[percentage]* per annum of the average NAV of each sub-fund. Such fee is payable *[frequency]*.

Note 6 - Performance fees

The investment manager/advisor is entitled to receive an additional fee to the investment/advisory management fee.

Comment:

The performance fee model needs to be shortly described to understand the basis of calculation and its main components. The description is usually a “copy and paste” of the wording used in the prospectus of the fund. Any change during the year should also be indicated.

Pursuant to the asset management agreement, the investment manager is entitled to receive from the net assets of certain sub-funds or classes, an annual performance-based incentive fee equal to the given percentage of the share class return in excess of the benchmark return and the high water mark where applicable. On each valuation day, an accrual for the previous valuation day’s performance fee is made, when appropriate, and the final performance fee is payable *[frequency]*.

For the year ended *[date]*, the performance fee rate, benchmarks and performance fee charged to the respective sub-funds are as follows:

Sub-fund	Benchmark	Performance fee rate	Performance fee

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 7 - Custodian fees

The custodian receives a fee at the end of each *[frequency]* which is chargeable against the NAV of each sub-fund.

In addition, the custodian bank is entitled to receive a fixed fee for transactions made by each sub-fund.

Note 8 - Transfer agent fee

The fund pays to the transfer agent a fee of *[percentage]* per *[frequency]* of the average NAV of each sub-fund. Such fee is payable *[frequency]*.

Note 9 - Distribution fee

Guidance:

If applicable, refer to the prospectus of the fund. In many instances, this fee is specific to some share classes. The concerned share classes, together with the applicable level of fee (in % or bp) need to be disclosed.

The share class *[share class name]* is subject to distribution fees of *[percentage]*. The distribution fees are payable to the appointed distributors on a *[frequency]* basis and are calculated on the average NAV of the share class *[share class name]* of each sub-fund for the relevant *[frequency]*.

Note 10 - Taxation

Under legislation and regulations prevailing in Luxembourg, the fund is subject to the "taxe d'abonnement" (subscription tax) at the rate of 0.05% per annum, except for the sub-funds and share classes which benefit from a reduced tax rate of 0.01%, such as money market sub-funds and the class of shares dedicated to institutional investors.

The "taxe d'abonnement" is calculated on the basis of the NAV of each sub-fund on the last day of the quarter and payable quarterly to Luxembourg authorities.

The portion of the assets of each sub-fund invested in other Luxembourg UCI already subject to the "taxe d'abonnement" is not subject to the aforesaid tax.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 11 - Other expenses

Guidance:

A specific note should be inserted only in cases where the statement of operations and changes in NAV does not disclose a sufficient level of details and these expenses are significant.

As at year-end, other expenses consisted in the following:

[Name of the sub-fund]

[CCY]

Publication fees

Printing fees

Other expenses

.....

Total other expenses

.....

Note 12 - Dividends

The Board of Directors decided on *[date]* to distribute the following dividends for the share classes below:

Name of the sub-fund/share class	Ex-date	CCY	Dividend per share
<i>[name of the sub-fund]</i>	<i>[date]</i>	<i>[CCY]</i>	<i>[dividend per share]</i>
<i>[name of the sub-fund]</i>	<i>[date]</i>	<i>[CCY]</i>	<i>[dividend per share]</i>

Note 13 - Options

Open options as at year-end are detailed below:

[name of the sub-fund]

- Options traded on a regulated market

CCY	Description	Market	Put/ call	Strike price	Maturity	Quantity bought (written)	Commitment ⁸ <i>[sub-fund CCY]</i>	Market value <i>[sub-fund CCY]</i>
						Total	.....	.....

⁸ There is no commitment to be disclosed in case of option bought, it only applies to written options.

[Name of the fund]

Audited annual report as at [closing date]

Notes to the annual report as at [closing date] (continued)

Note 13 - Options (continued)

- OTC options

CCY	Description	Counterparty	Put/ call	Strike price	Maturity	Quantity bought (written)	Commitment ¹⁰ [sub-fund CCY]	Market value [sub-fund CCY]
						Total	.....	.....

Note 14 – Swap contracts

At year-end, the sub-fund [name of the sub-fund] has entered into the following swap contracts:

14.1 Swap contracts

Guidance:

The disclosure needs to enable the reader to understand the underlying of both legs of the swap, what is paid and what is received. The proposed disclosure needs to be adapted to the specificities of the different swap contracts. A separate schedule should be prepared for each type of swap contract open at year-end.

- Type of swap contracts

Notional	CCY	Paying leg	Receiving leg	Maturity date	Counterparty	Commitment [sub-fund CCY]	Unrealised appreciation/ (depreciation) [sub-fund CCY]
					Total	.....	.....

14.2 Credit default swaps

Notional buyer/ (seller)	CCY	Rate	Credit default covered (underlying)	Maturity date	Counterparty	Commitment [sub-fund CCY]	Unrealised appreciation/ (depreciation) [sub-fund CCY]
					Total	.....	.....

⁹ There is no commitment to be disclosed in case of option bought, it only applies to written options.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 15 - Futures contracts

Open futures contracts as at year-end are detailed below:

[name of the sub-fund]

CCY	Number of contracts bought/(sold)	Underlying	Maturity	Commitment <i>[sub-fund CCY]</i>	Unrealised appreciation/ (depreciation) <i>[sub-fund CCY]</i>
			Total	.....	.....

Note 16 - Forward foreign exchange contracts

Open forward foreign exchange contracts at year-end are detailed below:

[name of the sub-fund]

Maturity date	CCY bought	Amount bought	CCY sold	Amount sold	Unrealised appreciation/ (depreciation) <i>[sub-fund CCY]</i>
				Total	.....

Total commitment on open forward foreign exchange contracts at year-end amounts to *[amount]*.

Note 17 - Securities lending

As at year-end, the market value of the securities lent is as follows:

Sub-fund	Sub-fund CCY	Total market value of securities lent	Collateral value

CSSF Circular 08/356

Guidance:

In case of reinvestment of the cash provided as a guarantee/collateral in the context of securities lending transactions, these reinvestments need to be indicated in the annual report. It is highly recommended to consult on the appropriate disclosure of such reinvestments.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 18 - "Soft dollar" arrangements

Appendix E of the
Hong Kong Code
on unit Trusts and
Mutual Funds dated
August 2008

Guidance:

This information is only mandatory for funds authorised for public distribution in Hong Kong. In case only some sub-funds are distributed in Hong Kong, disclosure can be limited to these ones but with a clear indication that soft dollar arrangements are only disclosed for sub-funds distributed in Hong Kong.

Sub-funds other than *[name of the sub-fund]* are unauthorised by the Securities and Futures Commission in Hong Kong and not available to Hong Kong residents.

Certain investment advisors have entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making were received by the investment advisors. The investment advisors do not make direct payment for these services but transact an agreed amount of business with the brokers on behalf of the fund. Commissions are paid from the fund for these transactions.

The goods and services utilised for the fund include: portfolio valuations, accounting and performance measurements, service price information, price histories and charts, research: risk, analysis, asset allocation; qualitative analysis, execution services; market information as specialised services. All of these are included in the Hong Kong Securities and Futures Commission's list of approved goods and services.

Investment advisors who have arranged soft commissions are:

– *[investment advisor name]*

and concern the following sub-funds:

– *[name of the sub-fund]*

– *[name of the sub-fund]*

or

For the year ended *[closing date]*, no soft dollar arrangement was in place for the following sub-funds:

– *[name of the sub-fund]*

– *[name of the sub-fund]*

Guidance:

In case no soft dollar arrangement was in place during the year then ended, a nil statement has to be inserted.

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 19 - Transactions with related parties

Appendix E of the Hong Kong Code on unit Trusts and Mutual Funds dated August 2008

Guidance:

This information is mandatory only for sub-funds authorised for public distribution in Hong Kong.

In this section, illustrative disclosure is limited to transaction on investments with related parties.

Guidance:

“Related person” in relation to a fund should be understood as follows:

- any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; **or**
- any person or company controlled by a person who or which meets one or both of the descriptions given above; **or**
- any member of the group of which that company forms part; **or**
- any director or officer of that company or of any of its connected persons as defined as listed above.

[There has been no transaction on investment portfolio conducted with related parties].

Or

[When arranging transactions of securities for the fund, related parties may have provided securities, brokerage, foreign exchange banking and other services or may have acted as principal on their usual terms and may benefit from them. Commission has been paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts provided by brokers or agents has been passed on to the fund. The services of related parties (including broker dealers) were used by the investment advisors where it was considered appropriate to do so and provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and that is consistent with the above policy of obtaining best results.

During the year there have been no transactions which were outside the ordinary course of business or which were not on normal commercial terms. The total aggregate value of transactions effected through related parties was *[CCY amount]*. The percentage of such transactions in value compared to the total transactions during the year amounted to *[percentage]* and the brokerage commission paid in relation to these transactions totaled *[CCY amount]*. The average rate of commission so paid was *[percentage]*.

The related parties are *[insert appropriate information]*].

[Name of the fund]

Audited annual report as at *[closing date]*

Notes to the annual report as at *[closing date]* (continued)

Note 20 - Statement of changes in portfolio

Upon request to be addressed to the registered office of the custodian bank/management company, a copy of the statement of changes in the portfolio for the year ended *[closing date]* can be obtained free of charge.

Note 21 - Events subsequent to *[closing date]*

Guidance:

Any important change which impacts the activity of the fund between year-end and the date of finalisation of the annual report, needs to be disclosed.

- on *[date]*: launch of *[name of the sub-fund]*
- on *[date]*: *[name of the sub-fund]* merged with *[name of the sub-fund]*
- on *[date]*: *[name of the sub-fund]* was closed
- ...

Appendices

Introduction

Luxembourg GAAP require specific information to be disclosed in the annual report. In addition to this, foreign supervisory authorities in countries where a fund is authorised for public distribution may require some additional specific disclosure. Some can be made in the format of supplementary information inserted at the end of the annual report, some other may require the preparation of a country specific version of the annual report.

Appendix I gives an overview of such requirements for funds authorised for public distribution in Germany, Hong Kong, Spain or Switzerland. The requirements disclosed in the appendix are focusing on UCITS, but some other requirements may apply for other types of funds (Part II funds, SIF,...). In addition, it has to be noted that some other countries may have also specific disclosure requirements. It is therefore advisable to consult in advance before registering a fund for public distribution in a new country. PwC Global Fund Distribution team is available to assist you in this process.

Appendix II proposes some illustrative notes/wording (not exhaustive) to be inserted in the annual report to meet the specific disclosure requirements for funds distributed in Germany, Hong Kong, Spain or Switzerland, which are the most impacted jurisdictions. Except when otherwise stated, this information does not need to be included in the audited annual report and can be inserted in a country specific addendum to the report.

Appendix III presents some additional relevant information concerning the filing requirements applicable to Luxembourg funds with some foreign supervisory authorities, in terms of deadline and language used in the report.

Appendix I

Foreign distribution: overview of specific additional locally required information to be included in the annual report of Luxembourg funds

Content of the report	Country of sale			
	Germany	Hong Kong	Spain	Switzerland
Details of the local paying and information agent/representative	YES ¹⁰	YES ¹¹	NO	YES ¹⁵
List of changes (purchases/sales) made to the portfolio	YES ¹⁰	YES ¹¹	NO	YES ¹⁵
Specific information to disclose in case of partial registration (for umbrella funds, when all sub-funds are not registered for public distribution in one country)	YES ¹⁰	YES ¹¹	NO	YES ¹⁵
Transactions with related parties	NO	YES ¹²	YES ¹⁴	NO
Soft commission arrangements	NO	YES ¹³	YES ¹⁴	NO
Fund's objectives	NO	NO	YES ¹⁴	NO
Aim in the use of derivatives	NO	NO	YES ¹⁴	NO
Fund's/sub-fund's date of creation/ launch	NO	NO	YES ¹⁴	NO
Minimum amount of investment (if appropriate)	NO	NO	YES ¹⁴	NO
Net returns %	NO	YES The last 10 financial years, showing the highest issue price and the lowest redemption price of the shares ¹¹	YES ¹⁴	YES ¹⁵
Outstanding number of investors	NO	NO	YES ¹⁴	NO
TER	NO	NO	YES ¹⁴	YES ¹⁵
PTR	NO	NO	YES ¹⁴	YES ¹⁵

¹⁰ See appendix II 1

¹¹ See appendix II 2

¹² See illustrative note 19

¹³ See illustrative note 18

¹⁴ See appendix II 3

¹⁵ See appendix II 4

Content of the report	Country of sale			
	Germany	Hong Kong	Spain	Switzerland
Statement that redemption requests and - in case of an umbrella fund - switching requests can be submitted to the German paying agent	YES ¹⁶	NO	NO	NO
Statement that all payments to the investors (redemption proceeds, any dividend distributions and other payments) can be made through the German paying agent	YES ¹⁶	NO	NO	NO
Statement that and in which manner the fund's documentation (as made available to German investors and disclosed in the German prospectus of the fund) are available free of charge at the German information agent	YES ¹⁶	NO	NO	NO
Statement that information (as made available to German investors and disclosed in the German prospectus of the fund) may be obtained or inspected free of charge at the German information agent	YES ¹⁶	NO	NO	NO

¹⁶ See appendix II 1

Appendix II

Illustrative country specific disclosures

The information disclosed in the annual report in accordance with Luxembourg GAAP may need to be supplemented with additional information to comply with some specific requirements of the local supervisory authority of the countries where the fund's shares are sold.

The information enclosed in this appendix aims at highlighting some specific information for a sample of countries (Germany, Hong Kong, Spain, Switzerland) together with an illustrative disclosure.

Except when otherwise stated, the information does not need to be part of the body of the annual report and can be inserted in an annex to the annual report (marked as unaudited).

1. Information for investors in Germany

Guidance:

Law applicable:	German Investment Act ("Investmentgesetz") – December 21, 2007
Supervisory Authority:	Bundesanstalt für Finanzdienstleistungsaufsicht („BaFin“)
Fund's type under scope:	UCITS

Specific disclosure requirements (all information addressed to German investors disclosed in the German prospectus of the fund):

- list of changes (purchases/sales) in portfolio during the year
 - has to either be provided as a copy together with the annual report;
 - or the reference to the name and address of the German paying and information agent, where such information is available free of charge to German investors has to be mentioned in the German version of the annual report.
- name and address of the German paying and information agent;
- statement that redemption requests and - in case of an umbrella fund - switching requests can be submitted to the German paying agent;
- statement that all payments to the investors (redemption proceeds, any dividend distributions and other payments) can be made through the German paying agent;
- statement that and in which manner the following documents (to be listed separately) are available free of charge at the German information agent:
 - full and simplified prospectus;
 - the articles of association in case of an investment company or a SICAV, or the management regulations for a FCP;
 - the annual and semi-annual reports.
- statement that the following information may be obtained or inspected free of charge at the German information agent:
 - issue and redemption prices (and, if applicable, the exchange prices);
 - other information and other documents (to be listed separately as mentioned in the prospectuses) to which investors of the home country are entitled (e.g. the relevant contracts and legislation, notices to shareholders);
 - statement, or at least one adequate medium of publication where the issue and redemption prices as well as any notices to German investors might be published.

In case of partial registration (to be inserted in the second page of the annual report):

A list of sub-funds printed in bold letters, for which a notification according to Sec 132 of the German Investment Act **was not made** and therefore sub-funds may not be marketed publicly to investors within the ambit of the German Investment Act, must appear on the second page directly after the cover page of the German version of the annual report.

This list has to be also inserted in the **original report** in case any information regarding German investors was included in the original version of the report.

WORDING SUGGESTION:

- **Paying agent information**
(to be inserted under section “Management and administration of the fund”)
[name and address of local paying and information agent] assumes the role of paying and information agent for Germany.
- **Portfolio movement disclosure**
(to be inserted under section “Management and administration of the fund”)
A copy of the list of changes in the portfolio during the reference year may be obtained free of charge at the paying and information agent in Germany.
- **Statement that redemption requests/switching requests can be submitted to the German paying agent**
Redemption and switching requests for the shares can be submitted to the German paying agent.
- **Statement that all payments to investors can be made through the German paying agent**
Redemption proceeds, any distributions, and other payments to investors domiciled in Germany can be paid out to the investors through the German paying agent.
- **Statement that and in which manner the fund’s documentation (as made available to German investors and disclosed in the German prospectus) is available free of charge at the German information agent**
The prospectus, the simplified prospectus, the semi-annual reports, the audited annual reports, *[please list also the documents available to German investors as disclosed in the German prospectus of the fund]* can be obtained free of charge from the German information agent.
- **Statement that the information (as made available to German investors and disclosed in the German prospectus) is available free of charge at the German information agent**
The subscription and redemption prices are also available free of charge from the German information agent.
The subscription and redemption prices as well as any announcements to the investors will be published in *[name of the publication media]*.
- **In case of partial registration**
(to be inserted on the second page of the annual report):
For the sub-funds listed below, a notification according to Sec 132 of the German Investment Act was not made, and therefore these sub-funds may not be marketed publicly to investors within the scope of the German Investment Act:
 - ***[name of the sub-fund]***
 - ***[name of the sub-fund]***
 - ...

2. Information for investors in Hong Kong

Guidance:

Law applicable:	Code on Unit Trusts and Mutual Funds dated April 2003 (“the Code”) (Appendix E) as amended in August 2008
Supervisory Authority:	Securities and Futures Commission (SFC)
Fund’s type under scope:	All collective investment schemes (except hedge funds, REITs, funds publicly traded on the Hong Kong Stock Exchange and mandatory provident funds)

While the SFC recognises that reports of recognised jurisdiction schemes will vary in content, reports are expected to offer investors comparable disclosure as set out in this appendix. Although **reports of recognised jurisdiction schemes will generally be reviewed on the basis that they already comply in substance with this appendix, disclosure must be made of transactions with connected persons and soft commission arrangements.** The SFC reserves the right to require additional disclosure. (Extract of the appendix E of the Code)

Specific disclosure requirements:

Information on soft commissions and related parties transactions needs to be inserted in the notes to the annual report. This information has already been highlighted in the illustrative notes 18 and 19 (please refer to the illustrative notes to the annual report). In addition, some supplementary information, listed below, needs to be inserted.

- name and address of the Hong Kong representative (to be inserted under section “Management and administration of the fund”);
- **in case of partial registration:**
A list of the sub-funds authorised for public distribution in Hong Kong must appear stating that the remaining ones are not authorised and not available to Hong Kong investors.

Luxembourg is a recognised jurisdiction in the meaning of the Code issued by the SFC. In practice, even if appendix E of the Code makes reference to specific disclosure to be enclosed in one fund’s annual report such as:

- comparative figures for previous years for the statement of net assets and statement of operations and changes in net assets;
- a 10-year performance table.

Luxembourg funds are generally exempt from these requirements. Nevertheless, if the fund is authorised for public distribution in Hong Kong, we advise to cross-check information available in the Luxembourg annual report with the appendix E of the Code to ensure that main Hong Kong required information is already disclosed in the Luxembourg annual report.

The SFC reserves the right to require disclosure in addition to the ones specified above.

WORDING SUGGESTION:

The Hong Kong representative of the fund is (to be inserted under section “Management and administration of the fund”):

[insert name and address of the entity]

3. Information for investors in Spain:

Guidance:

A new Circular 4/2008 issued by the CNMV came into force on March 31, 2009. This circular updates the former information to be disclosed by foreign funds on certain areas while others (e.g. information regarding derivatives or related party transactions) are simplified. In particular the new regulations impose higher level of details regarding the UCITS custodian and management company and also require more accurate information about NAV and fund's performance within an exact historical year.

Should you have any further questions about this new circular please consult us.

The information disclosed below refers to the new CNMV requirements.

Law applicable:	CNMV Circular 4/2008 of September 11, 2008
Supervisory Authority:	Comisión Nacional del Mercado de Valores (CNMV)
Fund's type under scope:	UCITS

Specific disclosure requirements:

Foreign UCITS distributed in Spain should contain the same level of information as the quarterly report of Spanish funds. The information to be inserted is described in the CNMV Circular 4/2008 of September 11, 2008 relating to information obligations to be fulfilled by foreign UCITS registered for public marketing in Spain. Some elements are already part of standard disclosure of most Luxembourg funds but some more specific information listed below needs to be considered. The wording suggestion below encloses the most commonly missing information.

Under Spanish rules, no systematic filing of this supplemented information with the Spanish authority is required. The Spanish appendix (containing the specific additional disclosure required by the Spanish authority) needs to be at the disposal of the CNMV and of the Spanish investors in the offices of a "designated entity" acting as information agent and representative of the fund towards the CNMV and the investors.

Guidance (continued):

By analysing the Luxembourg annual report of UCITS compared to what is required for Spanish funds, the information listed below is usually missing:

- fund's objectives;
- aim in the use of derivatives (if applicable): a short-detailed explanation of the aim in the use of derivative instruments by the fund is expected;
- fund's/sub-fund's date of creation/launch;
- website address of the fund where the financial reports are available to investors;
- custodian's rating;
- number of investors;
- minimum amount of investment by sub-funds;
- PTR;
- cash average return - annualised;
- TER;
- fund or sub-fund performance/fund or sub-fund benchmark performance/correlation/deviation;
- open positions in derivatives;
- related party transactions and other information.

WORDING SUGGESTION

- **Fund's objectives**

Guidance:

The description made needs to be aligned with the information included in the fund's prospectus.

- **Aim in the use of derivatives**

The sub-fund may use financial derivative instruments to hedge against market and currency risks, as well as for efficient portfolio management, as described in the fund's prospectus.

- **Fund's/sub-fund's date of creation/launch**

Guidance: the following information has to be provided:

- date of creation of the fund in the home country;
- date of launch of the sub-funds (date of start of the operation irrespective of the date of registration with the CNMV).

- **Website address of the fund where the financial reports are available to investors (if applicable)**

- **Custodian's rating (if rated by a market reputed credit agency)**

- **Number of investors (at the end of the year analysed)**

Year	sub-fund 1	sub-fund 2	sub-fund 3	sub-fund 4

- **Minimum amount of investment by sub-funds (if applicable)**

Guidance:

Should there be no minimum amount of investment, it is not necessary to include any information.

- **PTR (at the end of the year analysed)**

Guidance:

The PTR represents the percentage of a fund's holdings that have changed over the past year and it gives an idea of how long a manager holds on to a stock.

Calculation method:

The fund's turnover rate is calculated as follows:

$$(Total\ 1 - Total\ 2) / M \times 100$$

where:

$$Total\ 1 = X + Y$$

X = total value of stock purchases (including option's premiums) during the year and excluding cash (i.e. daily repos traded to cover the liquidity ratio)

Y = total value of stock sales during the year

$$Total\ 2 = S + T$$

S = fund (sub-fund) subscriptions during the year

T = fund (sub-fund) redemptions during the year

M = average fund (sub-fund) assets

Should the PTR be negative, the figure to show shall be zero.

Year	sub-fund 1	sub-fund 2	sub-fund 3	sub-fund 4

- **Cash average return – annualised (at the end of the year analysed)**

Year	sub-fund 1	sub-fund 2	sub-fund 3	sub-fund 4

- **TER (data of the current year analysed and for the last five years)**

Guidance:

It needs to include expenses relating to the management commissions, depository commissions and expenses for external services and other ordinary management expenses in terms of percentage of the daily average NAV for the year.

TER must include performance fees (if any) and a specific reference footnote has to be inserted mentioning that the performance fees are included in the TER disclosed.

Year	sub-fund 1	sub-fund 2	sub-fund 3	sub-fund 4
Current year				
Year 5				
Year 4				
Year 3				
Year 2				
Year 1				

- **Fund or sub-fund performance/fund or sub-fund benchmark performance/correlation/deviation (data of the current year analysed and for the last five years)**

Guidance:

In case the fund/sub-fund is not following any benchmark only information related to the fund/sub-fund performance will have to be provided.

Calculation method:

Difference (in %) between (1) the sum of the latest NAV at the reference date and the gross returns distributed since the beginning of the reference year and (2) the latest NAV calculated in the previous year. Should it not be available, it should be enough to insert a reference “not available”.

Year	Fund/sub-fund performance	Fund/sub-fund benchmark performance	Correlation	Deviation
4 th quarter				
3 rd quarter				
2 nd quarter				
1 st quarter				
Year 5				
Year 4				
Year 3				
Year 2				
Year 1				

- **Open positions in derivatives**

Guidance:

In case the disclosure made in the Luxembourg annual report is already complete (all information covered), there is no need to enclose this in the Spanish addendum.

List of derivatives	Nominal amount committed	Underlying asset

- **Related party transactions and other information**

Guidance:

An indication (i.e. yes/no) on the following related transactions items should be included:

- major investors existence;
- changes in the prospectuses which do not require CSSF approval;
- custodian and management company belonging to the same group;
- transactions (purchase or sale of instruments) where the custodian has acted as counterparty;
- investment in financial instruments issued or guaranteed by an entity of the same (management company/custodian) group;
- investments in financial instruments which counterparty has been any entity belonging to the management company/custodian group;
- soft commissions (monetary inducements paid out of the assets of the fund - e.g. commissions and/or expenses - to entities of the management company group).

4. Information for investors in Switzerland

Guidance:

Regulations applicable: The Swiss Fund Association (SFA) guidelines on the calculation and disclosure of the Total Expense Ratio (“TER”) and Portfolio Turnover Ratio (“PTR”) of collective investment schemes dated May 16, 2008 (status August 12, 2008). SFA guidelines on the calculation and publication of performance data of collective investment schemes dated May 16, 2008. SFA guidelines on transparency with regards to management fees dated June 7, 2005. These guidelines in relation with the disclosure of the breakdown of the (all-in) management fee and of the use of the management fee for retrocessions to distributors, asset managers and institutional investors are only partially in force and are completed by explanatory guidelines from the SFA dated July 12, 2005 (SFA Circular 08/05), July 22, 2005 (SFA Circular 10/05), October 5, 2005 (SFA Circular 12/05) and December 29, 2005 (SFA Circular 21/05), and July 6, 2006 (SFA Circular 11/06) an “Implementation Guide” of the guidelines issued by the SFA and dated December 7, 2005 and a Frequently Asked Questions (FAQ) issued by the SFA and dated March 9, 2006. Guidelines for foreign fund representatives dated June 13, 2007 (issued by the FINMA).

Supervisory Authority: Swiss Financial Market Supervisory Authority (FINMA) working closely with the SFA

Funds under scope: Collective investment schemes

Disclosure requirements:

- the annual report must be in a Swiss official language (French, Italian or German);
- name and address of the Swiss representative (and paying agent);
- name and address of the Swiss paying agent (if different from Swiss representative);
- indication that the documentation (statutes, prospectus, simplified prospectus, annual and semi-annual report, information on management fees) of the fund is available free of charge at the Swiss representative;
- management fee related to retrocessions and trailer fees (“Commissions d’état”) to institutional investors and sales partners;
- TER or synthetic TER;
- PTR;
- performance of sub-funds.

In case of partial registration

The annual report of umbrella funds cannot include information regarding sub-funds not registered with the FINMA. Indeed, such disclosure is considered as unauthorised promotion of these sub-funds in Switzerland. However, consolidated accounts can be maintained in the report even if the consolidated accounts contain figures related to un-registered sub-funds. It is allowed to mention the name of the sub-funds not registered in Switzerland under the consolidated accounts. As a consequence, a Swiss specific version of the annual report needs to be prepared.

WORDING SUGGESTION:

The Swiss representative (and paying agent) is *[name]* (to be inserted under section “Management and administration of the fund”):

The Swiss paying agent (if different from Swiss representative) is *[name]* (to be inserted under section “Management and administration of the fund”):

The full and simplified prospectus, as well as the articles of association of the fund, the annual and semi-annual reports and the list of changes in the portfolios during the reference year can be obtained free of charge at the registered office of the Swiss representative.

- **In case of partial registration (for umbrella funds)**

Guidance:

All references to sub-funds not authorised in Switzerland have to be removed from the report filed within the Swiss authority, except in the consolidated accounts, in which the following remark has to be added.

As at year-end, the following sub-funds were authorised for distribution (in and) outside Switzerland:

- *[name of the sub-fund]*
- *[name of the sub-fund]*
- *[name of the sub-fund]*

- **Management fees (to be tailored based on each situation)**

Guidance:

- As a transitional rule/arrangement, in case the prospectus does not yet disclose the retrocessions and trailer fees to institutional investors and sales partners respectively as required by the transparency requirements with regard to management fees of the SFA of June 7, 2005, the following disclosure must be included in the annual report.
- If the fund’s regulations state a maximum percentage, the management fee percentage effectively applied is to be disclosed in the annual and semi-annual reports.

Payments/compensations (trailer fees) are paid out from the management fee for the distribution/marketing of the investment fund to distributors and asset managers. Reimbursements/rebates are granted out of the management fee to institutional investors who hold the fund shares for the economic benefit of third parties.

SFA guidelines dated May 16, 2008 (status August 12, 2008)

• **TER or synthetic TER as follows:**

– **TER**

Guidance:

If the fund charges different costs and commissions to their assets for individual share classes, a separate TER is to be calculated for each share class.

If a performance-related fee is paid to the asset manager, this remuneration is to be included in the TER and stated separately as a percentage of the average NAV.

Calculation method:

General TER (calculated for the preceding 12 months at the date of the annual report; for more information please refer to the applicable SFA guidelines on the calculation and disclosure of the TER and PTR of the collective investment schemes)

TER % = total operating expenses (including performance fee, excluding, amongst other, bank interest, transaction costs, formation expenses, etc...) in CCY/average NAV in CCY x 100

CCY = currency units in the accounting currency of the collective investment scheme

Sub-fund	Share Class	CCY	TER	Performance fee in % of total NAV
<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	

TER was calculated in accordance with the applicable SFA guidelines.

– **Synthetic TER**

Guidance and calculation method:

If a fund invests at least 10% of its NAV in target funds which publish a TER with the meaning of the SFA guidelines, a composite (synthetic) TER of the fund of funds is to be calculated as of the closing date of the financial year. This corresponds to the sum of:

- the TER of the individual target fund, weighted on the basis of their proportion in the NAV of the fund of funds as of the closing date;
- the subscription and redemption commissions of the target funds actually paid;
- the TER of the fund of funds minus the reimbursements received from the target funds during the reporting period.

Sub-fund	Share Class	CCY	Synthetic TER	Performance fee in % of total NAV
<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	

SFA guidelines dated May 16, 2008 (status August 12, 2008)

SFA guidelines dated
May 16, 2008 (status
August 12, 2008)

Guidance:

In case a significant proportion of target funds does not publish their TER, and therefore synthetic TER is impossible to compute, a specific sentence needs to be inserted.

As the fund invests a significant portion of its NAV in target funds which do not publish a TER, no TER is calculated and published.

Synthetic TER was calculated in accordance with the applicable SFA guidelines.

• **PTR (to be calculated for the same period as the TER)**

Guidance:

The PTR represents the percentage of a fund's holdings that have changed over the past year and it gives an idea of how long a manager holds on to a stock.

Calculation method:

$PTR \% = (Total\ 1 - Total\ 2) / \text{average NAV in CCY} \times 100$

CCY = currency share in the accounting currency of the collective investment scheme

Total 1 = total securities transactions = X + Y

X = securities purchases in CCY

Y = securities sales in CCY

Total 2 = total transactions involving shares of the collective investment scheme = S + T as the sum of S + T of a same NAV calculation date in absolute value

S = share issued in CCY

T = share redeemed in CCY

Sub-funds	CCY	PTR (in %)
<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>	<i>(insert appropriate information)</i>

PTR was calculated in accordance with the applicable SFA guidelines.

• **Performance of the sub-funds and respective share classes**

Guidance:

Historical performance data by share class must be published for the following observation years at least:

- for last calendar year separately, and
- either
 - for the last three calendar years, or
 - for the last five calendar years, or
 - since the launch of the fund either
 - for each year separately, or
 - as a cumulative total figure for a number of calendar years, or
 - as an annual average for a number of calendar years

The currency in which the performance is calculated must be clearly visible.

Each time performance data are published, mention of the following facts must be made:

- past performance is no indication of current or future performance, and
- the performance data do not take into account the commissions on the issue and redemption of shares

This disclaimer must be clearly visible.

Calculation method:

$$\text{Performance \%} = (\text{NAV end P} \times f_1 \times f_2 \dots f_n / \text{NAV start P}) - 1 \times 100$$

NAV end P = net asset value per share at the end of observation period

NAV start P = net asset value per share at the start of observation period (i.e. the last figure for the preceding observation period)

f1, f2...fn = adjustment factors for distribution during the reference period, where:

$$f = (\text{NAV ex} + \text{gross distribution}) / \text{NAV ex}$$

NAV ex = net asset value per share as at ex dividend date

Gross distribution = gross amount of income and capital gains distributed per share to investors in Switzerland.

Example of disclosure: for each year separately

	CCY	Last cal. year (N-1)	N-2	N-3	N-4
Sub-fund/share-class					
Benchmark					

Example of disclosure: as annual average

	CCY	Last cal. year (N-1)	N-3 to N-1	Or N-5 to N-1
Sub-fund/share-class				
Benchmark				

Past performance is not an indication of the current or future performance.

The performance data do not take into account the commissions on the issue and redemption of shares.

Performance figures were calculated in accordance with the applicable SFA guidelines.

Appendix III

Additional information on specific requirements related to filing of annual reports with local authorities

Filing deadline and language requirements

Country of sale	Content of the report	Filing deadline with the local authority	English acceptable (yes/no)? If not which languages are required?
Austria		4 months from fund year-end	No. The report must be in German.
Belgium		4 months from fund year-end	Normally, only one of the official language is acceptable (i.e German or French or Dutch). However, English is also acceptable provided it is the fund language.
Bulgaria		Not required	No. The report must be in Bulgarian.
Cyprus		4 months from fund year-end	Yes
Czech Republic		4 months from fund year-end	No. The report must be in Czech.
Denmark		Not required	Yes
Estonia		4 months from fund year-end	Yes
Finland		4 months from fund year-end	Yes
France		4 months from fund year-end	No. The report must be in French.
Germany		4 months from fund year-end	No. The report must be in German.
Gibraltar		No deadline, as soon as available in the home country of the fund	Yes
Greece		2 months from fund year-end	No. The report must be in Greek.
Hungary		4 months from fund year-end	Yes
Iceland		3 months from fund year-end	Yes
Ireland		4 months from fund year-end	Yes
Italy		Not required	No. The report must be in Italian.
Korea		4 months from fund year-end	Yes
Latvia		1 month from the approval of the report but not later than 4 months from the fund year-end	Yes
Lithuania		4 months from fund year-end	No. The report must be in Lithuanian.
Malta		4 months from fund year-end	Yes
Netherlands		Not required	Yes
Norway		Not required	No. The report must be in Norwegian.
Poland		4 months from fund year-end	No. The report must be in Polish.
Portugal		4 months from fund year-end	No. The report must be in Portuguese.

Please refer to page 60 for additional information

Country of sale	Content of the report	Filing deadline with the local authority	English acceptable (yes/no)? If not which languages are required?
Romania		4 months from fund year-end	No. The report must be in Romanian (sworn translation).
Singapore		Not required	Yes
Slovakia		4 months from fund year-end	No. The report must be in Slovakian.
Slovenia		4 months from fund year-end	No. The report must be in Slovenian.
Spain		Not required	Yes, but a Spanish sworn translation is also required.
Sweden		Not required	English and Swedish are acceptable.
Switzerland		4 months from fund year-end	No. The report must be in one of the Swiss official language (i.e German or French or Italian).
Taiwan		4 months from fund year-end	Yes
United Kingdom		4 months from fund year-end	Yes

Please refer to page 60 for additional information

Filing deadline and language requirements

1. Bulgaria

There is no obligation to file the financial reports with the Bulgarian authority. It is only necessary to notify the local authority that the financial reports are made available on the internal website of the fund/promoter/management company. It would, nevertheless, be advisable to publish the report on the website of the required local agent, which is deemed to be in Bulgarian.

2. Italy

There is no obligation to file the annual report with the Italian authorities. However, the Italian paying agent, the person who is in charge of the offer and the distributor(s) must hold the financial reports available for investors in Italian.

3. Norway

There is no obligation to file the financial report with the Norwegian authority. However, if and to the extent the Law of the home state of the fund manager prescribes that such information is to be provided to investors or kept generally available, Norwegian investors must also be provided with such information.

Please note also that the annual report might be submitted in English if the fund either has a minimum subscription requirement equivalent to NOK 5 million (approx. EUR 625.000) or if the fund according to the Norwegian marketing-plan will be marketed exclusively towards institutional investors on an individual basis without advertising. The foreign fund/fund manager must apply for an exemption in this case.

4. Spain

There is no obligation to file the annual report with the Spanish authorities. However, the financial reports must be made available to investors and to the Spanish authorities in sworn Spanish upon request at the distributor(s) and at the local information agent (as appointed according to CNMV Circular 2/2006).

5. Sweden

Financial reports must be in English or Swedish. There is no requirement that the financial reports of foreign UCITS registered in Sweden are filed with the Swedish authority.

However, the financial reports must be made available to Swedish investors at the Swedish paying and information agent.

Other relevant PricewaterhouseCoopers Luxembourg publications



Changing rules - The regulation, taxation and distribution of hedge funds around the globe 2009 Global

Since our last report (Sept 2008), deleveraging by financial institutions and a flight to cash by all investor classes have caused significant redemptions in the hedge fund sector and, together with the falls in securities markets worldwide, is estimated to have reduced assets under management to about 30% of the position as at December 2007.

The draft EC Directive published in April 2009 proposes extensive changes to the way the industry works in Europe. Hedge fund managers need to get up to speed quickly with the proposed new rules. There is potential for a seismic shift in the industry and managers must both address the challenges and also seek the opportunities for achieving real competitive advantage.



Emerging Trends in Real Estate® - Asia Pacific 2009 Asia Pacific

Asia Pacific real estate markets have remained largely unscathed from direct damage related to the subprime implosion and subsequent credit crisis in the West, due largely to the absence of the type of structured credit instruments that led to the huge losses seen in U.S. markets. Asian banks' losses resulting from investment in derivatives listed on U.S. exchanges were minimal. Meanwhile, the only Asian country issuing statistically significant quantities of commercial mortgage-backed securities was Japan, and much of that market was dominated by international banks anyway. As a result, Asian banking systems remain for the most part well capitalised.



Emerging Trends in Real Estate® Europe 2009 Europe

A joint undertaking of the Urban Land Institute (ULI) and PricewaterhouseCoopers, Emerging Trends in Real Estate® Europe is a trends and forecast publication now in its fifth edition. The report provides an outlook on European real estate investment and development trends, real estate finance and capital markets, property sectors, metropolitan areas, and other real estate issues.



Global Fund Distribution 2009 poster 2009 Global

PwC has just published the latest edition of its Global Fund Distribution Poster. As in previous years, this 9th edition of the poster contains essential information on the evolution of the distribution of UCITS funds across the globe. The Global Fund Distribution Poster 2009, published in English, allows a quick, yet comprehensive overview on fund distribution in 2008 including fund distribution "hot spots", target markets for distribution, leading distribution markets and, of course, key distribution trends as well as a list of the top 50 cross border management groups.



Going Global — Tax and legal aspects of real estate investments around the globe 2009 Global

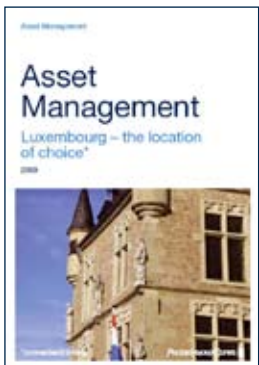
This CD Rom is an information tool developed to provide guidance on the tax and legal aspects of real estate investments in countries around the globe. Key features include:

- Global real estate tax summaries: An overview of the tax systems in countries around the globe.
- Real estate investments in ... : Detailed guides to investing in property in a selection of jurisdictions.
- Municipal taxes: Guides to the variety of local taxes that could impact real estate investments.
- Publications: Example editions of PricewaterhouseCoopers' leading real estate publications including Global real estate now and Emerging trends in real estate Europe, US and Asia Pacific.
- Worldwide contacts: Details of PricewaterhouseCoopers real estate professionals around the world at your fingertips.



Ideal Fund - Reengineering the fund value proposition 2009 Luxembourg

This paper takes an investor-centric approach to examine the mutual fund value proposition and outlines recommendations for governments and the industry to promote sustainable solutions that will serve investors. The focus is on the long-term investment goals of European retail investors.



Asset Management - Luxembourg - the location of choice 2009 Luxembourg

End of March 2009, Luxembourg had over EUR 1.526 trillion in net assets in over 12,200 sub-funds (3,396 legal entities), easily placing Luxembourg as the second largest fund centre outside the United States.

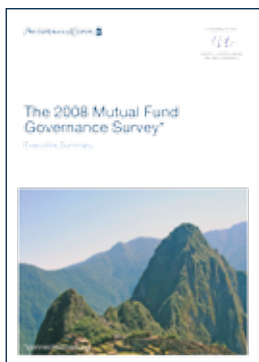
We are pleased to provide this summary of the Luxembourg business and regulatory environment for your information and stand ready to provide support whatever your needs may be.



Private Equity in Luxembourg 2009 Luxembourg

The second edition of the brochure "Private Equity In Luxembourg" aims at providing practical high level information regarding the private equity vehicles in Luxembourg, as well as an overview on the areas that PwC Luxembourg may help to create value on private equity deals and transactions.

It also describes this dynamic industry in Luxembourg, which has established itself as a leading alternative funds centre in private equity and property funds through the development of Luxembourg into a centre for private equity sector. The more recent developments in the financial markets pose new challenges to private equity houses and to all financial players. It appears though that the industry will find its way to adapt to the new reality.



The 2008 Mutual Fund Governance Survey 2009 Luxembourg

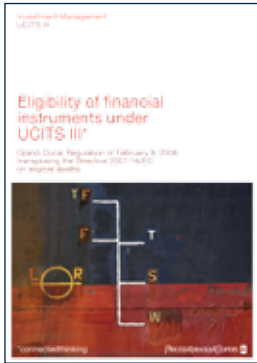
First came sub-prime, then banks started to collapse and the entire financial system seemed to go crazy, now Madoff reveals to the world how simple it is to ruin thousands of investors... Investment funds, whether private or retail, have by no means been spared by the consequences of these shortfalls. Could they have been avoided in any way through a truly sound corporate governance?

It is with this question in mind that PricewaterhouseCoopers Luxembourg has presented its 4th edition of the Mutual Fund Governance Survey, a survey initiated in July 2008, before the Lehman collapse and subsequent financial crisis.



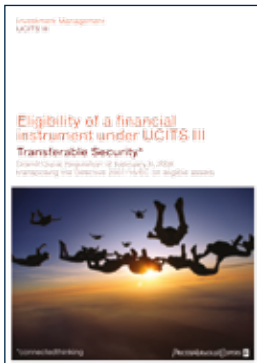
UCITS IV Poster 2009 Luxembourg

The investment fund industry has made an important step forward with the adoption of the UCITS IV Directive on June 22, 2009. While many details still need to be worked out even at the legislative level, industry players should now start considering the likely implications on their business. UCITS IV will become effective on July 1, 2011, being the date by which all Member States must have implemented the Directive into national law.



Eligibility of financial instruments under UCITS III 2008 Luxembourg

This poster gives a quick and comprehensive overview of the Grand-Ducal Regulation of February 8, 2008 transposing the Directive 2007/16/EC on eligible assets.



Eligibility of financial instruments under UCITS III - Transferable Security 2008 Luxembourg

This poster gives a quick and comprehensive overview of the Grand-Ducal regulation of February 8, 2008 transposing the Directive 2007/16/EC on eligible assets, and more specifically on transferable security.



IFRS - Illustrative Financial Statements 2008 – Investment Funds 2008 Global

This publication provides an illustrative set of financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), for a fictional open-ended investment fund ('ABC fund' or the 'fund').



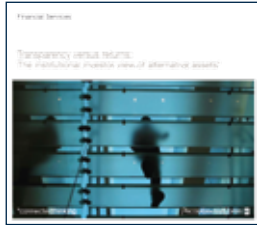
Luxembourg Hedge Funds 2008 Luxembourg

As at June 30, 2007, alternative investment funds represent roughly EUR 187 billion (USD 252 bn), or 9% of the total assets under management in Luxembourg. In Luxembourg, the appetite for alternative investment strategies is growing.



Luxembourg Real Estate Vehicles 2008 **2008 Luxembourg**

This first edition of the “Luxembourg Real Estate Vehicles” practical guide describes the real estate industry in Luxembourg and promotes its success factors. Its main objective is to provide general background information on the legal and tax aspects, and opportunities, of regulated and unregulated real estate vehicles in the Grand Duchy. Moreover, due to an increasing importance of listing to real estate players, this guide also outlines the attractiveness of the Luxembourg Stock Exchange for the listing of real estate funds.



Transparency versus returns: The institutional investor view of alternative assets **2008 Global**

This briefing, the 16th report in our FS Briefing Programme looks at the Alternatives market from the perspectives of institutional investors and alternative investment providers. As private equity, hedge funds and real estate become more deeply embedded in the mainstream asset class mix, there are growing calls for alternative investment providers to step up their levels of transparency, disclosure and risk management.



AM News **Quarterly Europe**

Asset Management News is produced by professionals in their particular field at PricewaterhouseCoopers, to address important issues affecting the asset management industry.

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